(ACA) as 100% additionality. ACA is passed on to the States on the same terms as Normal Central Assistance, which entails 30% of funds being released as grants and 70% as loans. For the special category States, the ratio of grant and loan is 90% and 10%., respectively. The State-wise total foreign assistance provided during each of the last three years in the form of Additional Central Assistance is given in the enclosed Statement.

**STATEMENT**

*Statement showing state-wise Additional Central Assistance Released during the last three years*

(Rs. cores)

| S.No. | State | ACA Released 1993-94 | ACA Released 1994-95 | ACA Released 1995-96 |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| 1. | Andhra Pradesh | 893.65 | 570.38 | 444.10 |
| 2. | Assam | 3.64 | 6.67 | 2.81 |
| 3. | Bihar | 24.89 | 72.01 | 32.02 |
| 4. | Goa | 0.00 | 0.73 | 0.11 |
| 5. | Gujarat | 147.45 | 141.05 | 106.12 |
| 6. | Haryana | 79.56 | 74.92 | 87.52 |
| 7. | Himachal Pradesh | 38.61 | 38.20 | 40.16 |
| 8. | Jammu & Kashmir | 7.87 | 11.10 | 6.51 |
| 9. | Karnataka | 349.40 | 373.90 | 145.76 |
| 10. | Kerala | 118.43 | 126.82 | 29.37 |
| 11. | Madhya Pradesh | 78.38 | 94.31 | 67.69 |
| 12. | Maharashtra | 927.56 | 562.58 | 721.20 |
| 13. | Orissa | 128.72 | 201.72 | 142.33 |
| 14. | Punjab | 54.14 | 99.39 | 96.75 |
| 15. | Rajasthan | 151.94 | 197.77 | 301.54 |
| 16. | Tamil Nadu | 502.35 | 671.69 | 320.60 |
| 17. | Uttar Pradesh | 316.09 | 497.80 | 369.71 |
| 18. | West Bengal | 88.24 | 163.20 | 85.75 |
| | Total | 3910.92 | 3904.24 | 3000.05 |

*[English]*

**Exemption of Income Tax**

5761. SHRI CHHATAR SINGH DARBAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received any representation to exempt Dearness Allowance, received by wage/salary earners from income tax;

(b) if so, the action taken by the Government in this regard; and

(c) if not, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI. P. CHIDAMBARAM) : (a) to (c). The Government receives numerous representations asking for change in tax policy, which are examined as part of budget exercise. The current policy of the Government is reflected in proposals entailed in Finance (No. 2) Bill, 1996, which reiterates the Government's policy to tax dearness allowance under the head 'Income from salaries".

**Cotton Policy**

5762. SHRI CHHITUBHAI GAMIT : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government propose to formulate a new cotton policy to avoid anarchy in the cotton industry where the prices are manipulated and eleminate the middle man to enable the cotton growers to get more money for their produce and to stabilise the price of cotton in the country;

(b) whether suggestion have also been received or invited by the Government in this regard;

(c) if so, the details thereof; and

(d) by when the new policy is likely to be announced?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) to (d). As per the current policy of the Government, the Union Ministry of Agriculture fixed the minimum support price (MSP) of two varieties of cotton F-414/H-777 and H-4 on the recommendation of commission for Agricultural Costs and prices, MSP for other verieties of cotton are thereafter fixed by the Textile Commissioner based on normal price differentials. Government closely monitors the price of cotton, it being an essential commodity. In the event of the price dipping below the MSP, the Cotton Corporation of India is required to carry out price support operations. However, the price of cotton has continued to be above the MSP for quite some years now. CCI has thus been engaging only in commercial purchases.

**Supply of Cotton Yarn**

5763. SHRI SOUMYA RANJAN : Will the Minister of TEXTILES be pleased to state :

(a) the demand of cotton yarn by handlooms and powerlooms sector during each of the last three years alongwith supply of cotton yarn made during the above period; and

(b) the efforts made by the Government to increase the supply of cotton yarn ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) The demand for cotton yarn depend on a variety of factors such as the demand and prices of cotton cloth, prices of cotton yarn etc. and would vary from time to time. It is therefore, difficult to arrive at quantitative estimates of demand for cotton yarn for handloom as well as Powerloom

sector. The supplies of cotton yarn made to Handloom and Powerloom Sectors during last three years is as follows :

(in million Kg.)

| Year | Total Cotton Yarn delivered | |
|---|---|---|
| | To Powerloom Sector | To Handloom Sector |
| 1993-94 | 632 | 422 |
| 1994-95 | 567 | 438 |
| 1995-96 (Provisional) | 557 | 493 |

(b) The Government has taken several measures to increase the availability fo cotton yarn e.g. (i) ensuring the availability of raw material i.e. cotton through policy interventious, whenever necessary, (ii) adoption of restrictive approach towards export of cotton yarn, to augment the availability of such yarn in the country. During the year 1996, export of cotton yarn of counts 40s and below is allowed within a quantitative ceiling of 80 million Kgs. in two equal bi-annual instalements of 40 million Kgs. each. Certain categories of cotton yarn are however exempt from the ceiling i.e. export by 100% EOUs, export by EPCG units, all exports against bilateral quotas, all exports of 41 counts and above and export of processed yarn. In an export of processed yarn. In addition, export of bank yarn in the count group 1-60s is also not allowed.

*[Translation]*

**Assistance from National Renewal Fund**

5764. SHRI NAMDEO DIWATHE : Will the Minister of INDUSTRY be pleased to state :

(a) the details of such State Governments which have submitted proposals for getting financial assistance from the national Renewal Fund;

(b) the decision taken by the Union Government in this regard; and

(c) if no decision has been taken so far, by when the decision is likely to be taken ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Proposals for financial assistance from the National Renewal Fund have been received from the Governments of the fourteen States namely, Andhra Pradesh, Assam, Bihar, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

(b) and (c). The proposals of the State Governments would be taken up after guidelines and operational modalities for grant of assistance from the national Renewal Fund have been finalised.

*[English]*

**Coal Washeries**

5765. SHRI SANDIPAN THORAT : Will the Minister of COAL be pleased to state :

(a) whether Coal India Limited had invited tenders for setting up washeries nearly 4 years back to meet the growing requirement of washed coal particularly by the thermal units and also to meet the requirements of minimising ash pollution as prescribed by the Environment Ministry;

(b) if so, the details thereof;

(c) the reasons for delay in scrutinising the tenders and present status thereof; and

(d) the details of investment proposed for setting up net-work of coal washeries ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b). In the first instance Coal India Limited (CIL) had floated a tender enquiry inviting offers for setting up of washeries on build-own-operate basis in August, 1993. In view of inadequate response from the domestic bidders, CIL floated a global tender in June, 1994. Twelve bidders out of 14 pre-qualified bidders submitted the offers.

(c) In view of the techno-commercial offers received from the tenders not being in line with the requirement of the tender specifications and 'build-own-operate' being a new concept, clarifications had to be sought from the tenderers. As such, finalisation process took longer period.

On the basis of final evaluation of commercial bids, CIL have issued Letters of Intent to private investors during April, 1995 to June, 1995 for setting up of washeries on 'build-own-operate' basis at four sites.

(d) Total investment in the setting up these four washeries is estimated at Rs. 500 crores.

**Assistance to Victims of Natural Calamities**

5766. DR. ARUN KUMAR SARMA : Will the Minister of FINANCE be pleased to state :

(a) the amount of financial assistance provided to the victims of natural calamities during each of the last three years, State-wise and bank-wise with particular reference to Assam; and

(b) the number of persons benefited therefrom, State-wise, particularly is Assam ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Reserve Bank of India (RBI) issued standing guidelines to banks in August, 1984 to be followed by them for providing relief in areas affected by natural calamities/riots etc., without waiting instructions from RBI each time. These guidelines *inter-alia* envisage